



## News Release

Media Relations Office

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Tel. 202.622.4000

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**IRS AGAIN UPDATES WEB ITEM DEBUNKING FRIVOLOUS TAX ARGUMENTS**

WASHINGTON – The Internal Revenue Service has again updated its Web site document addressing false arguments about the legality of not paying taxes or filing returns. The revisions add citations from several cases decided by the courts during 2002 and respond to one additional argument, making a total of 21 frivolous contentions that are addressed.

“During the filing season, taxpayers will sometimes hear absurd suggestions that they don’t have to pay taxes or file returns,” said IRS Acting Commissioner Bob Wenzel. “We want people to know the truth about these schemes – they don’t work.”

This past year, the courts have not only rebuked such arguments dozens of times, but also imposed thousands of dollars in fines on taxpayers or their attorneys for pursuing frivolous cases.

IRS Chief Counsel B. John Williams said, “The courts have repeatedly and consistently rejected these arguments and are imposing substantial penalties on taxpayers and promoters for taking frivolous positions. These schemes carry a heavy price, for both the promoters and the participants.”

The IRS Chief Counsel’s Office prepared “The Truth About Frivolous Tax Arguments” in 2001 and revised it last April. The document not only lays out the assertions, it also provides a summary of the law and relevant legal decisions involving these false claims.

There are links to the document from “The Newsroom” section’s “What’s Hot” page, the “Tax Pro News” and the “Topics for Individuals” pages of the IRS Web site at [www.irs.gov](http://www.irs.gov). The direct URL is [www.irs.gov/pub/irs-utl/friv\\_tax.pdf](http://www.irs.gov/pub/irs-utl/friv_tax.pdf).

The IRS continues to investigate promoters of frivolous arguments and to refer cases to the Department of Justice for criminal prosecution. Taxpayers who file frivolous income tax returns face a \$500 penalty, and may be subject to civil penalties of 20 or 75 percent of the underpaid tax. Those who pursue frivolous tax cases in the courts may face a penalty of up to \$25,000, in addition to the taxes, interest and civil penalties that they may owe.

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